[redacted] NID 81[redacted]

January 28, 1981

SITUATION REPORTS

POLAND

The Polish Government seems intent on using the continuing labor unrest to pressure Solidarity into adopting a more moderate posture. [redacted]

Candid coverage by the Polish media of the job actions occurring around Poland is part of an ongoing tactic to undermine popular support for Solidarity. The party Politburo on Monday also reaffirmed its willingness to negotiate immediately the free Saturday issue, a move intended to underscore its contention that Solidarity is to blame for the current turmoil. Solidarity is in no position to dispute easily the regime's propaganda but probably hopes popular suspicion of regime assertions will blunt the impact of the media campaign. [redacted]

Solidarity officials seem increasingly concerned about the unrest. Solidarity leader Walesa's meeting yesterday with protesting farmers in Rzeszow was intended, according to a union spokesman, to help ease a "very tense" situation in southern Poland. The union has moved its weekly meeting to Rzeszow in an apparent gesture of unity with those demonstrating there. Such a gesture may be intended to blunt pressure for more strikes. [redacted]

Students in Lodz, who have been staging a "sit-in" at the university, have called for a national congress with representatives of all student bodies today. The congress evidently is to consider the possibility of calling for a national strike by all students. [redacted]

Military Activity

Exercise activity by Soviet forces in and around Poland is increasing but remains comparable to that normally seen at this time of year. [redacted]

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[redacted]

Coal Production in Poland

Polish officials are divided in their estimates of how much coal the country can produce this year. A parliamentary commission has expressed serious doubts that Poland can fulfill ministerial projections that production could reach 188 million tons. The commission believes a production target of 170 million tons is more realistic, if miners continue to work on some Saturdays. We believe the lower figure is attainable. [redacted]

Failure to reach the 188-million-ton target would endanger many of the regime's key economic goals. National income probably would fall by more than 3.5 percent, as projected by the regime. The hard currency trade deficit probably would far exceed the $800 million the government now unrealistically predicts. [redacted]

Coal is Poland's main hard currency export, and exports have been cut back to ensure adequate domestic supplies. [redacted]